



INVESTOR PRESENTATION

OCTOBER 2024

Disclaimer Regarding IAS 29

The Company's forward-looking expectations for the year-end 2023 financial results, which were previously disclosed to public on December 1, 2023, have not been subject to inflation accounting in accordance with “Financial Reporting in Hyperinflationary Economies Standard” (IAS 29). On the other hand, the Company's financial statements dated 31.12.2023 and thereafter, have been subject to inflation accounting within the framework of the provisions of IAS 29. For this reason, certain financial figures in the financial report is not comparable with the forward-looking expectations that were previously disclosed to public.

In order to ensure accurate review and interpretation of the financial figures by the investors and market participants in comparison to the estimates and expectations regarding the year-end 2023 financial results that were previously disclosed to public, certain financial figures are also presented without adjusting for inflation accounting through investor presentations and earnings releases on the Company's corporate website as well as via the Public Disclosure Platform. In addition, selected financial figures used in investor information materials in the previous period may also be included in these works in order for investors and analysts to conduct a full-fledged analysis.

The financial figures that are not subject to inflation adjustment, have not been independently audited and are not included in the Company's audited financial reports dated 31.12.2023 and thereafter. Such financial figures have been prepared and disclosed to public for enabling the investors and market participants consistent and comparable assessment of our financial performance, under the responsibility of the Company's Board of Directors and executives who are responsible for financial reporting.

TEKNOSA

Overview & Way to Teknosa of New Generation



Türkiye's Most Widespread and Reliable Technology Partner

64

Cities

178

Stores

~2.800

Employees

105K

Stores sqm

250M+

Annual No Of
Visitors
(Stores + Online)

500+

İklimsa
Authorized
Dealers &
Services

TEKNO SA

95%

Omnichannel Retailing
Revenue Share

İklım SA

Türkiye'nin İklimlendirme Merkezi

%5

İklimsa
Revenue Share

Providing digital technologies
both online and in-store...

Having successfully transformed
from **traditional retailer** to
“Phygital”...






Offering **technology-focused
needs** of its customers with a
**holistic approach and unique
customer experience**...

A Digital CE Retail Platform
with strong physical presence

TEKNO SA

Reaching Millions of Customers with Value Oriented Businesses

5 major brands reaching our customers

				
Türkiye's most comprehensive technology private label brand	End-to-end services	Rapidly growing Loyalty Program	Türkiye's virtual network operator & home internet service	Heating-Cooling & Solar Energy Systems
With +1000 SKUs, product sales exceeding 2 million units in 2023	With a comprehensive service portfolio, service sales exceeding 3 million units in 2023	TeknoClub membership reaching +4 million in 2024 (~6 million active customers ¹)	~500K TeknosaCell subscribers in 2024 Launch of Teknosa.net in Mar'24	5 Brands +200 Models Heating-cooling and solar energy systems portfolio

5 1. Number of active customers in the CRM system who purchased at least one item in the last 24 months

Our Vision “Teknosa of New Generation” Was Established in 2019



A traditional retailer with average operational performance

An omnichannel retailer with healthy operational performance

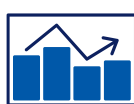
A digital-first, omnichannel retailer with a strong operational capabilities



Store-focused retailing



Mainly **focused on selling primary products**



Weaknesses in operational performance



An infrastructure **lacking in terms of technology and data**



Customer experience with multiple improvement opportunities



Omnichannel retailing



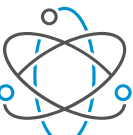
A **robust retail muscle** that can sell products and services together



Strong and sustainable operational performance



Technology and data infrastructure capable of **implementing essential functions**



Improved omnichannel customer experience



Omnichannel retailing and supporting **tech-focused marketplace**



Retail muscles **at the level of global best practices**



Even stronger and sustainable operational performance



Digital technology, data infrastructure, and solutions at a level that will create a competitive advantage




Seamless **data-driven omnichannel customer experience**

In This Journey, the First Three Transformation Programs Have Been Successfully Completed!

Becoming an omnichannel retailer with healthy operational performance

Becoming digital-first company with strong operational capabilities

1




Financial & Operational Transformation

Through end-to-end transformation in five main pillars, **Teknosa has been brought back to a profitable and operationally robust level**

✓

Completed in 2020

2



Service & Private Label Transformation

By transforming the service and private brand, **two significant sources of sustainable and profitable customer satisfaction** were created for Teknosa

✓

Completed in 2021

3




Marketplace Transformation

By adding **marketplace capabilities to Teknosa's online channels**, a much broader range of products is now offered to customers under the assurance of Teknosa

✓

Completed in 2023

4



Digital-First Company

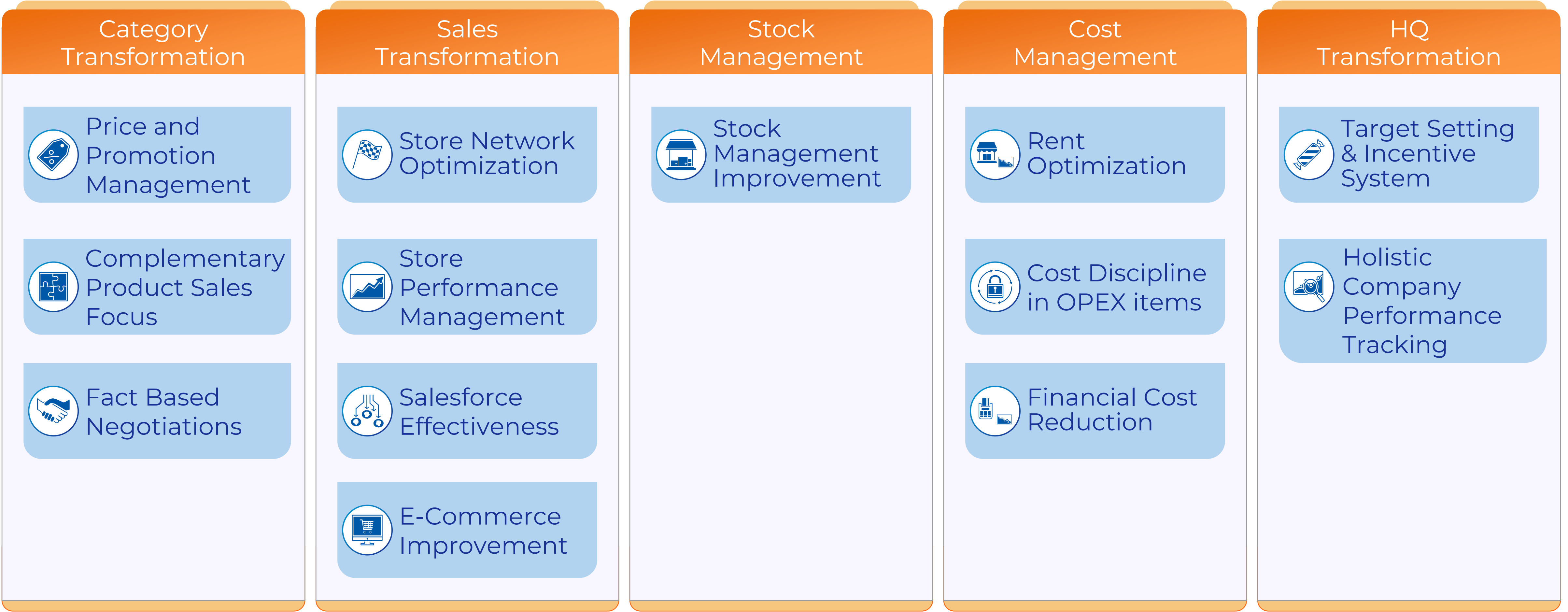
Further strengthening Teknosa's competitive edge, the new phase of transformation for best customer experience and digital & operational excellence

✓

First Phase Completed - Ongoing

We Exist to Bring Happy Moments by Providing the World's Technology to Everyone

Financial & Operational Transformation



Service & Private Label Transformation



Türkiye's Most Comprehensive Fully Digitalized Electronic Service Portfolio



Installation Services



Repair



TeknoGaranti
(in-store & online)



Service Membership Packages



Rental



Technology Support Packages



TeknosaCell



Teknosanet



Comprehensive Support Packages developed from remote support to installation reaching ~400k sales volume



Teknosa assurance is continuously delivered to our customers through TeknoGaranti



On **Teknosa.com**, our customers can track the end-to-end service process



Teknosacell has reached ~500k members, and efforts for new alternative services are ongoing



Technology Exclusive Brand with Türkiye's Widest Product Portfolio



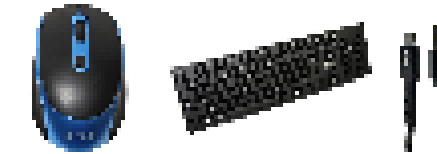
Accessories



SDA



TV



PC Equipment



Personal Care



Other Categories



Preo has become Türkiye's most comprehensive technology private brand with +1000 SKUs



Given today's economic conditions, Preo as private label brand is becoming **more appealing to the customers**

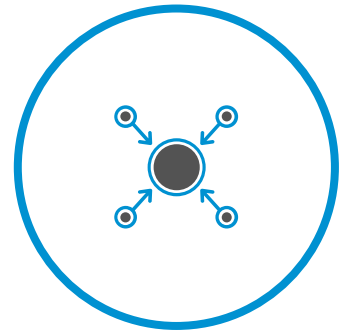


The portfolio is dynamically updated to align with customer needs, ensuring a **balance between quality and price sensitivity**



According to the results of an independent customer satisfaction survey², **94% of customers have indicated satisfaction**

Teknosa: Türkiye's First Tech-Focused Marketplace!



Owens the “technology concept” with a **wide product and service range**



Features only the **highest quality merchants**



Leveraging all customers as an influencer through **"Social Commerce"**



Supports its sellers through **Partner Solutions**



Teknosa Marketplace has shown a very strong development in just its first years

Number of SKUs¹

129k
in 2023

188k
in 2024

In addition to electronic categories, it also includes non-electronic adjacent categories.

Merchants¹

340
in 2023

832
in 2024

Türkiye's best electronic sellers

MP share in e-commerce²

35%
in 2024

Significantly above global benchmarks¹

Digital-First Transformation Program Consists of 6 Main Layers

Elevate our
customer
service to
superstar status



Transformation
of the Store
Network



E-Commerce
Development &
Marketplace
Expansion



Omnichannel
Excellence

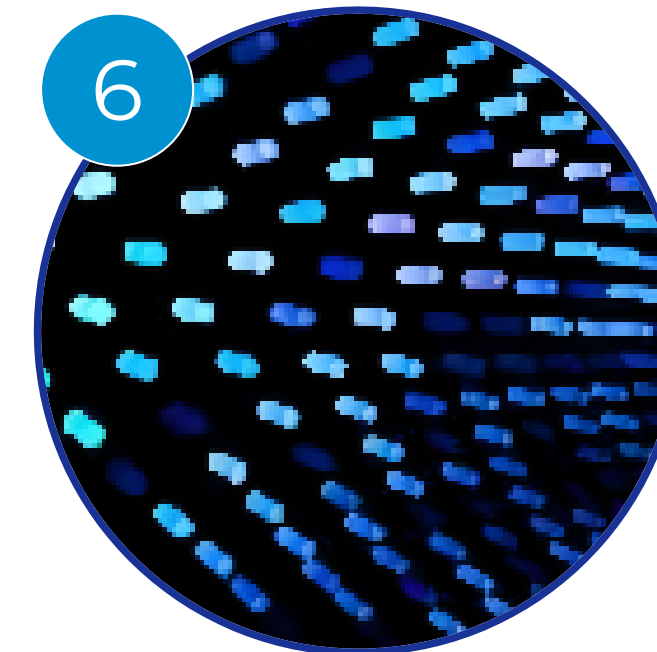
Increase
company
performance by
making our
operations more
efficient



Supply
Chain
Transformation



Next Generation
Digital
Applications



Information
Technology & Data
Transformation

Continuous Transformation of Our Store Network into an Experience-Driven One as Part of the Transformation Program

Investing in the Future of Retail with New Concept Stores

We embrace the globally rising trend of **'Experience-focused retail'** with **our new digital store concept**

Stores with Increasing Shared Spaces

We are expanding **shared spaces in our stores**, maximizing brand exposure and value for Teknosa and our suppliers

Continuing to Optimize Our Network

Parallel to our strategy, we are opening new high sqm digital stores and **relocating or closing stores with lower potential**, aligned with our strategy on elevated experience, product variety and improved store performance

So far **52 stores** have been transformed into new digital concept



Experience Areas



Enlarged Display Areas



Dedicated Sections for Disabled Customers



Self-Service Kiosk



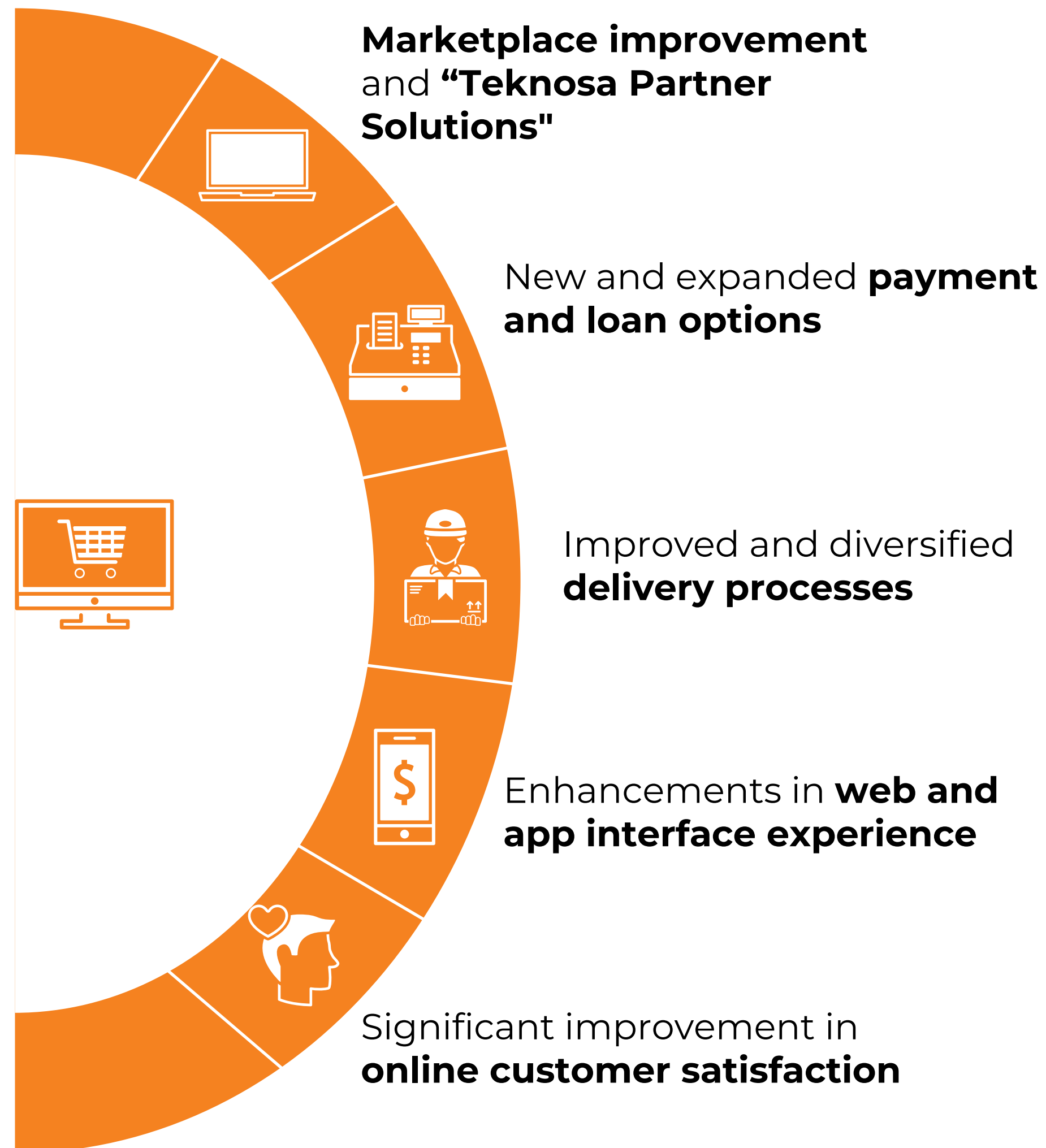
Hero Area



Sustainability Wall

E-commerce Will Continue to Be a Strategic Focus & Investment Area

We are expanding our online channel with new developments every day...



...we will continue to expand with the same focus in the upcoming period



E-commerce channel will continue to be a **strategic focus and investment** area to strengthen:

- Alignment with global customer demand pattern
- Product variety that we provide to our customers
- Enabling new growth opportunities (e.g. Retail media)
- Complementing role for omnichannel customer journey

Ensuring a Seamless Omnichannel Customer Journey across All Channels

We are committed to offer a seamless cross-channel experience for our customers under 4 main objectives


Selected examples


Bringing online best-practices to offline channels

 Online sales from stores

 Browsing & adding products to the cart via kiosks


 Display of best-seller products

 Mobile checkout via handheld terminals

 Location-based communications (e.g., sending SMS/push notifs. when customers are near stores)

 Enhanced experiential spaces for customers


Enabling store experience in online-channels


 Strengthened linkage with stores in online (e.g., promotion of store-based campaigns through online channels)

 Replicating the in-store experience in online (e.g., AR features)

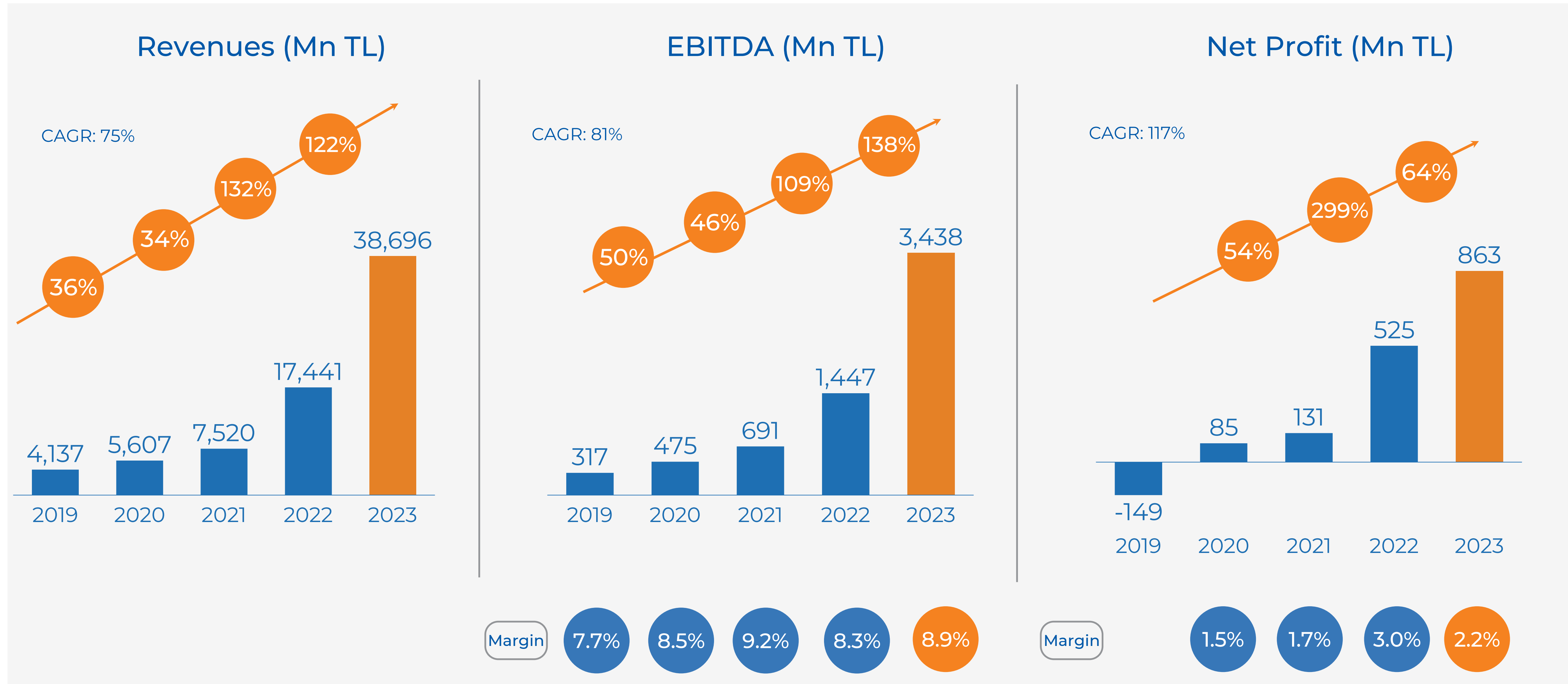
 Direct connection to stores through video sales with sales advisors

Singularization of customer journey across channels

 Online-to-offline convergence (e.g., viewing store orders on online channels¹, initiating and tracking the service process online, returning a product purchased on online at a physical store²)

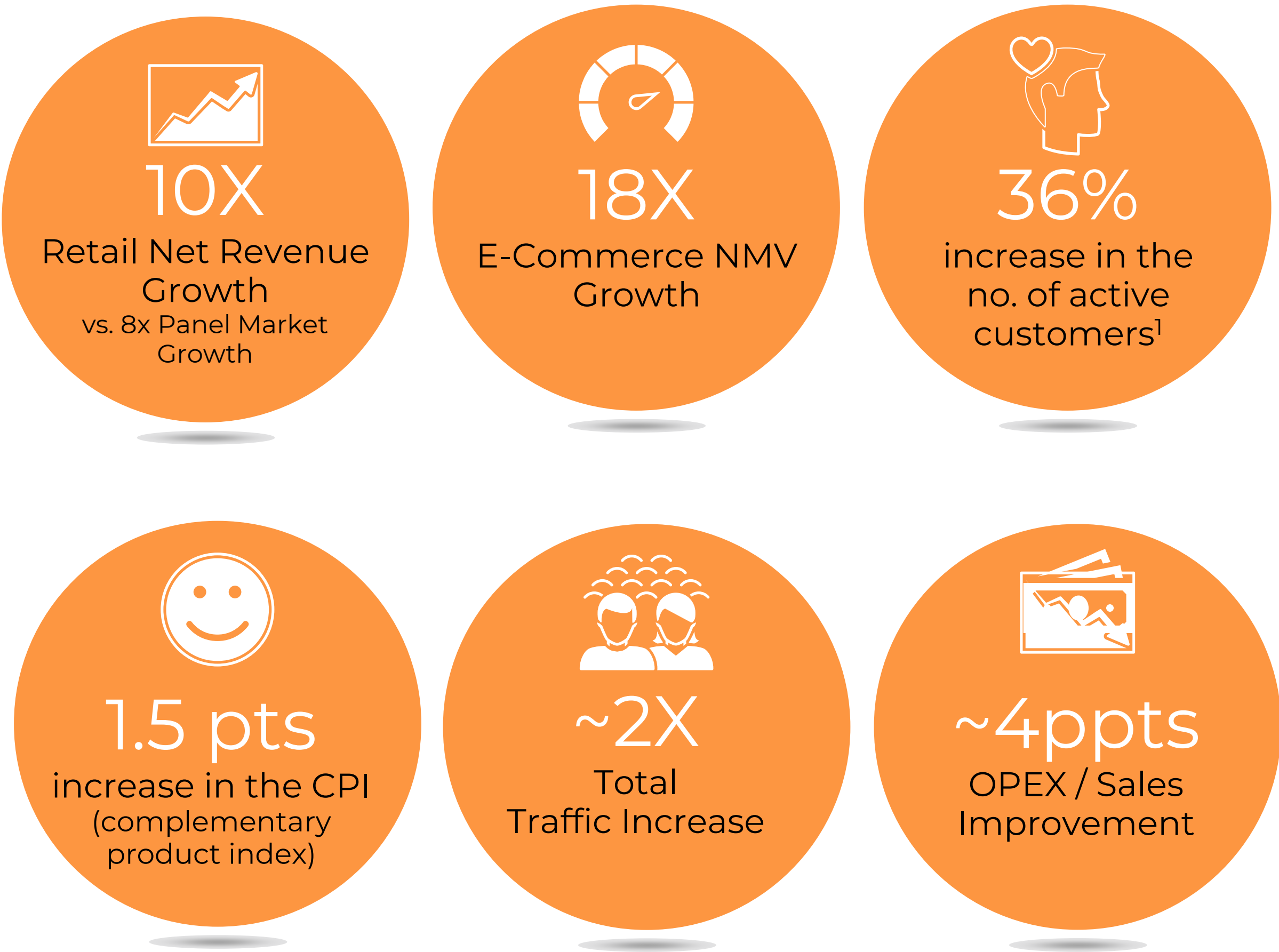
 Offering omnichannel experience (e.g., displaying previously added online products on handheld terminals, sales advisors hosting live broadcasts where users can shop through links)

With Transformation Programs, We Have Achieved a Growing & Sustainable Profitability (w/o IAS 29)

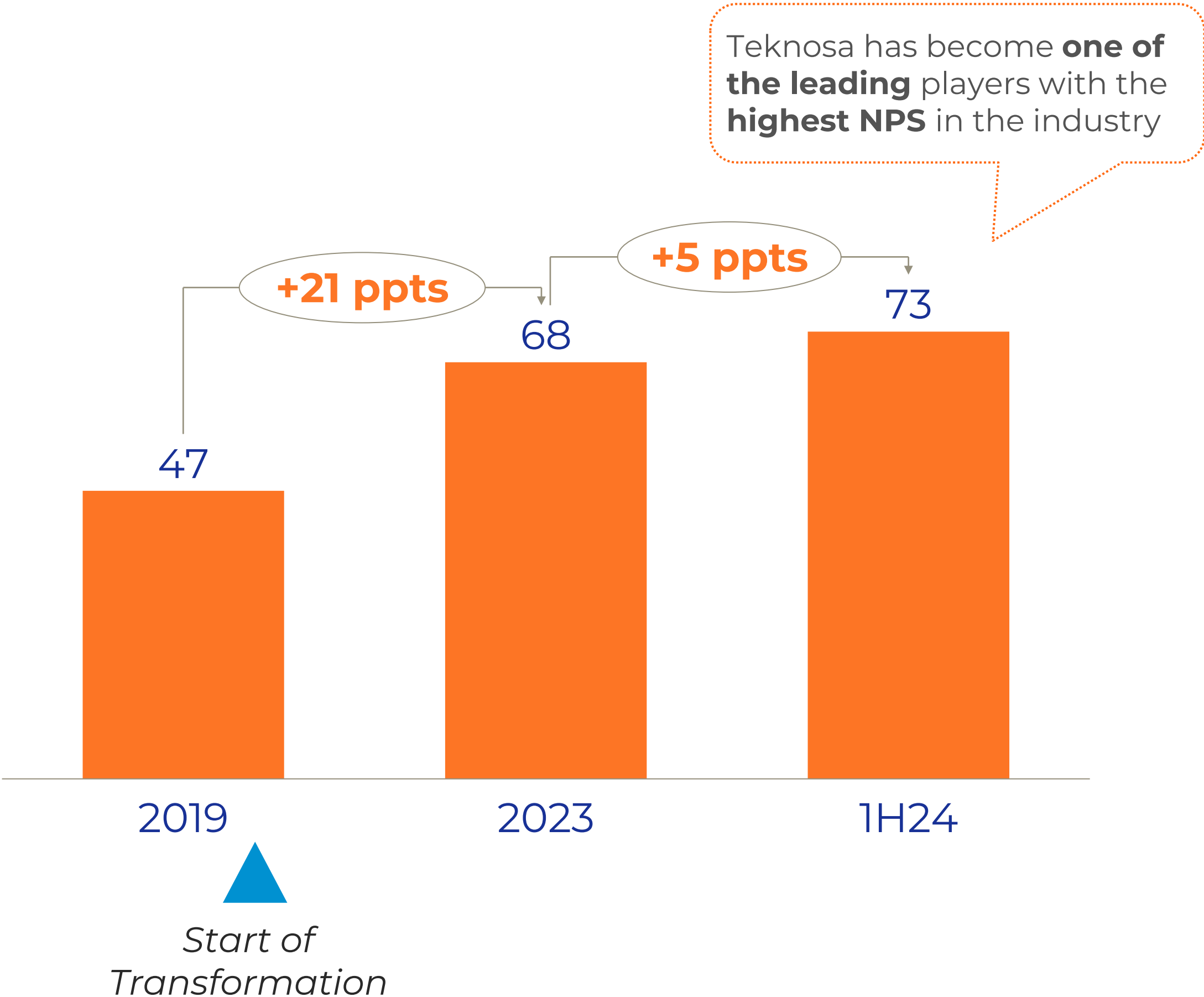


With This, We Have Achieved Significant and Robust Improvement in Our Performance in All Metrics

From 2019 to 2023...



Teknosa overall NPS

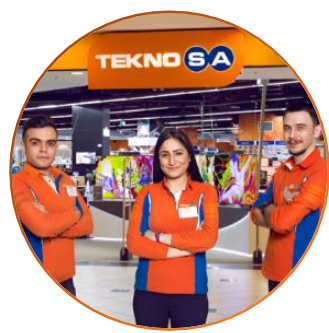


NPS:Net Promoter Score



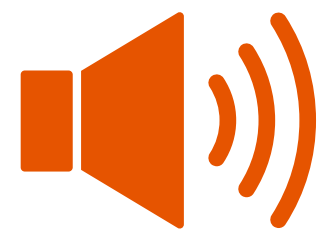
18 1. Number of active customers in the CRM system who purchased at least one item in the last 24 months

We Developed Türkiye's First and Most comprehensive AI-based Sales Field Management Tool with ~40 Features



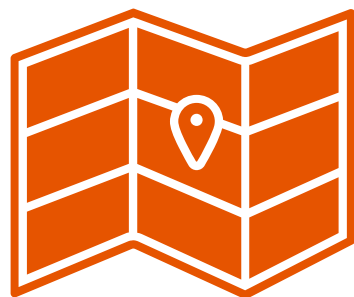
Digitally Enabled Salesforce

Our new AI-supported sales assistant "Bilge" **playing a crucial role in executing our company strategy**, analyzes sales performance and sends AI-based personalized messages whole sales organization incl. sales advisors, store & regional managers



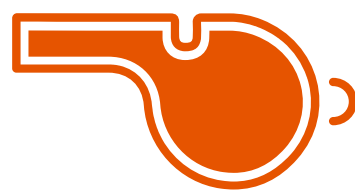
Inform

Comprehensive info on KPIs
(e.g., TRRs¹, NPS, sales metrics)



Guide

Guide to opportunities parallel to company strategy
(e.g., campaigns, cross sell)



Motivate

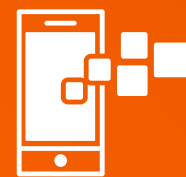
Motivate higher performance
(e.g., awards, motivating communication)



Pilot execution in 30+ stores, **currently active in all stores**



Supporting **1800+ active sales advisors**



We are working on v2.0 with **new AI features and applications**

The impact of Bilge on KPIs is encouraging, giving signals for future success



**Higher
Conversion Rates**



**Larger
Basket Size**



**Higher
complementary
product & service sales**



**More Profitable
Retail Mix**



**Increased Revenue
Achieved**



TEKNO SA

We Are Elevating Our Information Technology and Data Competencies to Build a Stronger Infrastructure for Transformation



ERP Transformation

- **Comprehensive overhaul of the technical infrastructure**, marking a **pioneering move** in Türkiye's e-commerce sector
- Setting the stage for **future digital transformation** resulting in **improved efficiency, capabilities and customer satisfaction**



Data Management Transformation

- Focus on improving **data quality, usability, and revenue generation** through better **governance** and consolidation of data platforms
- Accelerating our **decision-making processes** and **operational efficiency**



Business Architectural Transformation

- **Roadmap 2025** Enterprise Architecture transformation created **providing a clear direction for strategic goals**
- Aiming to **streamline and align the organization** and enhanced **efficiency**, and **agility** and sustained **growth**

Enhancing Sustainability & B2B Business through the Synergy between İklimsa & Teknosa



Operating under the umbrella of Teknosa, İklimSA, the leading brand in the HVAC sector, provides services with the assurance of Sabancı across Türkiye

72
Cities

+500
Sales &
Service
Points

39
Years
Expertise

We have been in operation since 2022

While enhancing our existing strengths, we are also expanding our offerings at İklimsa



1

Air Conditioning

- Providing **end-to-end climate solutions** for both residential & commercial customers
- A wide product range, **A+++ energy efficiency, inverter technology, and advanced equipment** under global and own Sigma brands

SIGMA

MITSUBISHI
HEAVY INDUSTRIES, LTD.
KLIMA

FUJITSU

SHARP

GE APPLIANCES

SAMSUNG



2

Solar Energy Systems Solutions

- A solid business plan focused on centralizing the **regional network of ~90 dealers** in Solar Energy Systems (SES)
- **Continuing investments** in a sustainable future, reaching **75 SES** projects with **27 MW** in less than 2 years (129% growth in 2024)



3

B2B Sales

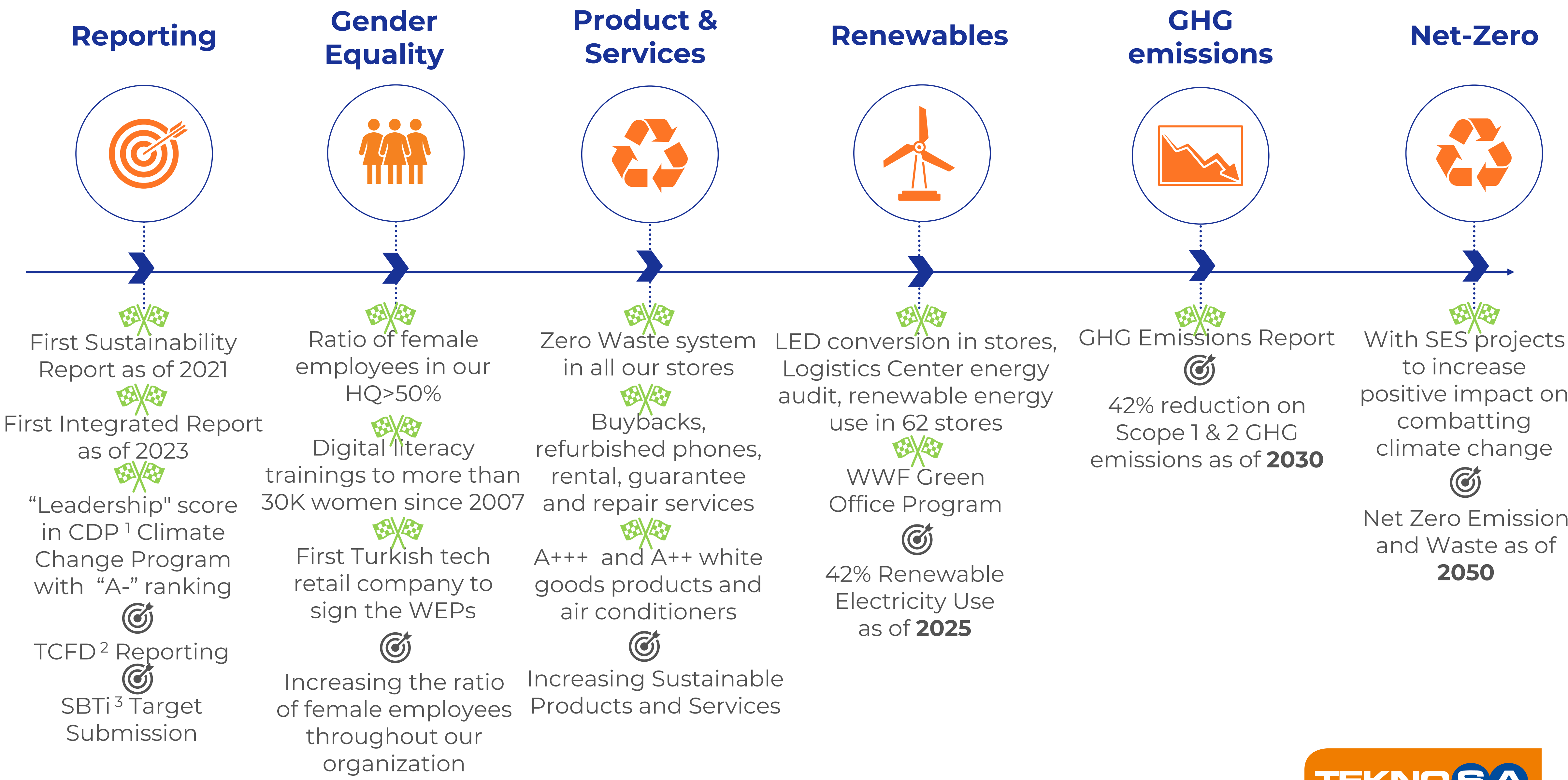
- Providing corporates with a **wide range of electronic products** of Teknosa, including
- **Electronic product supply**
 - **After-sales services**
 - **Product rental services**

TEKNOSA

Sustainability Focus



We Add Value to Our World, Society and Employees through Our Business

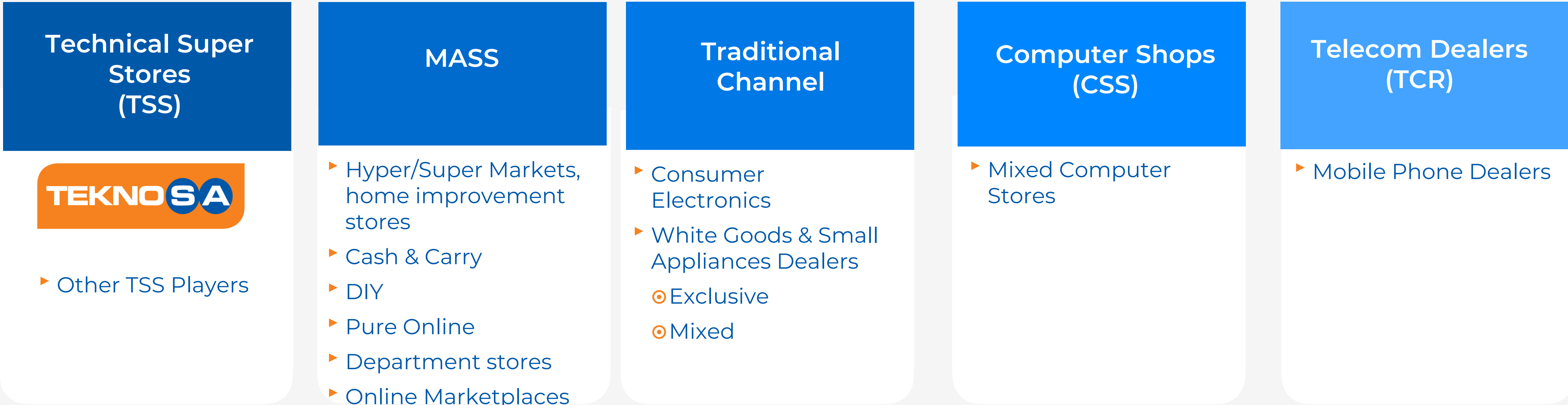


TEKNOSA

1H24 Market Overview & Financial Results



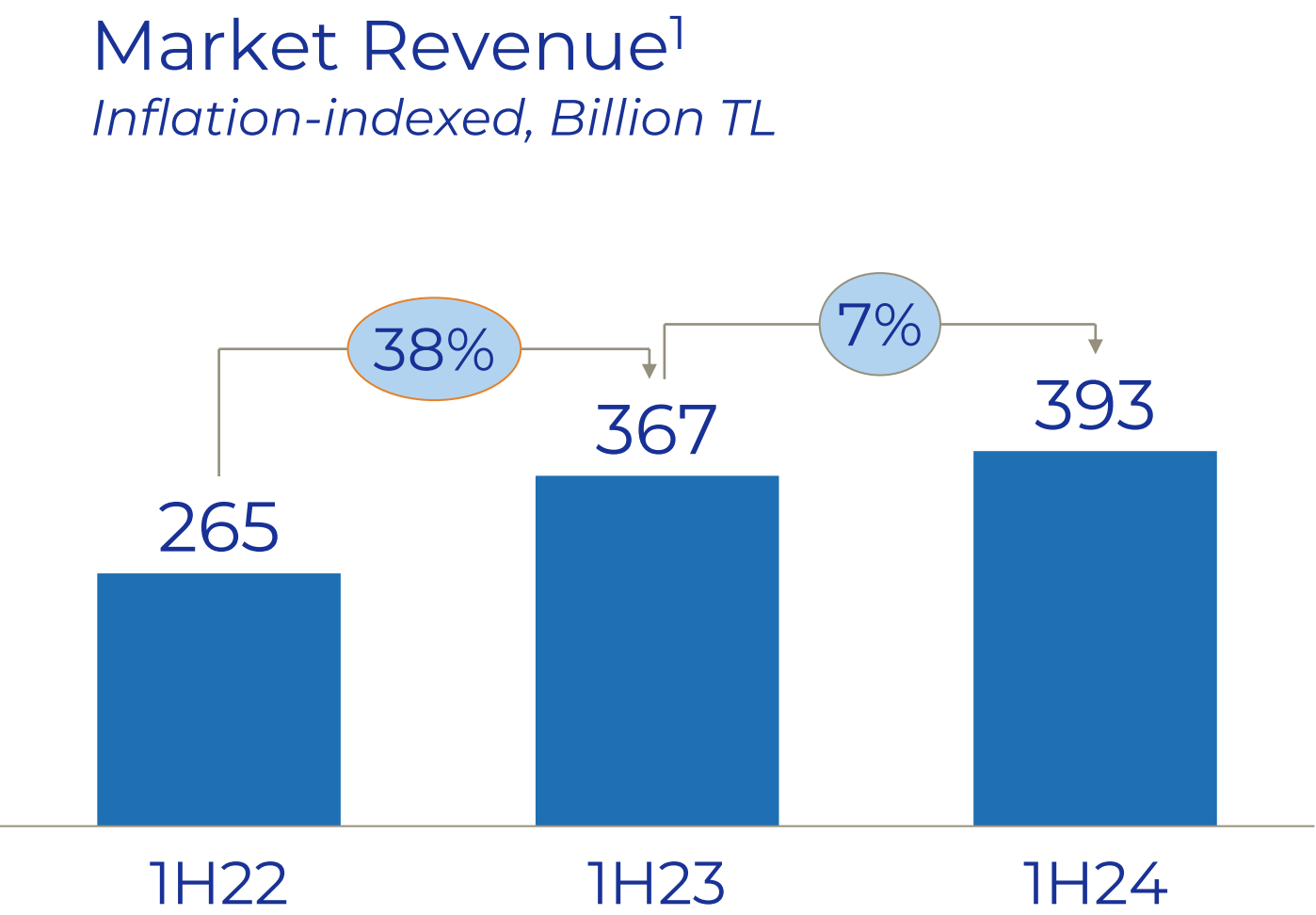
Distribution Channel Structure in the Panel Market



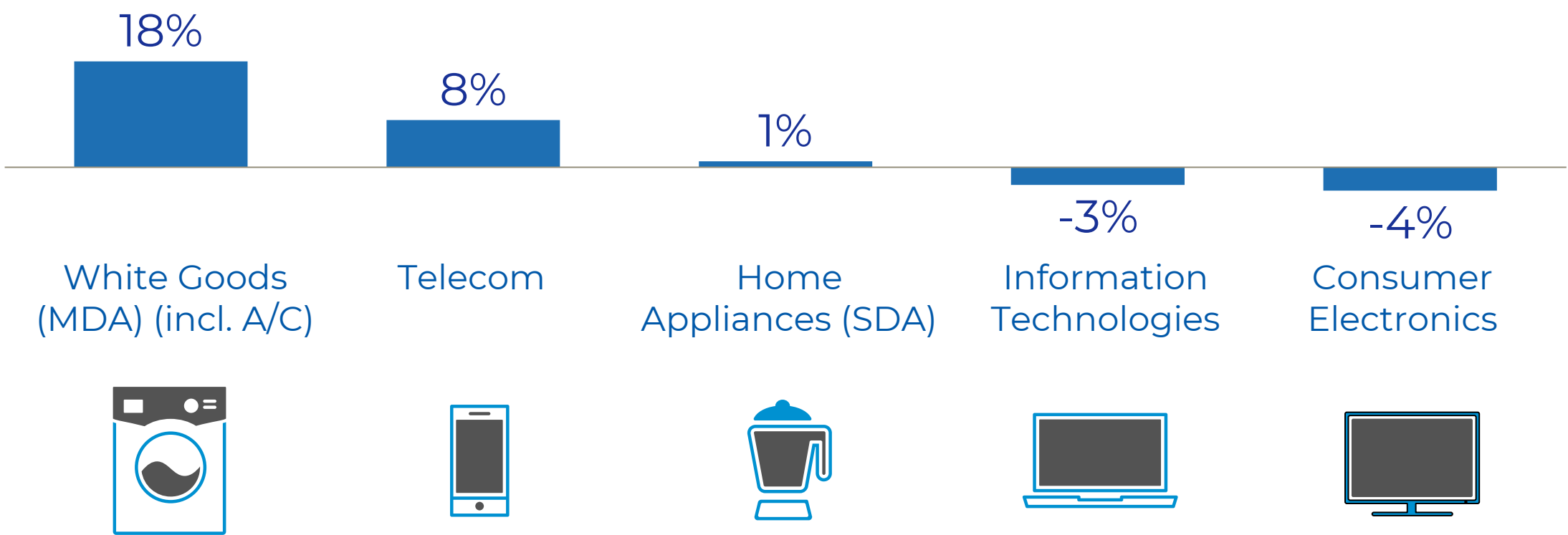
Online sales of all channels in the Panelmarket constitute the techonline market

Market overview: Fast-paced market growth has slowed down in 2024, yet still has a 7% real growth in the panel market

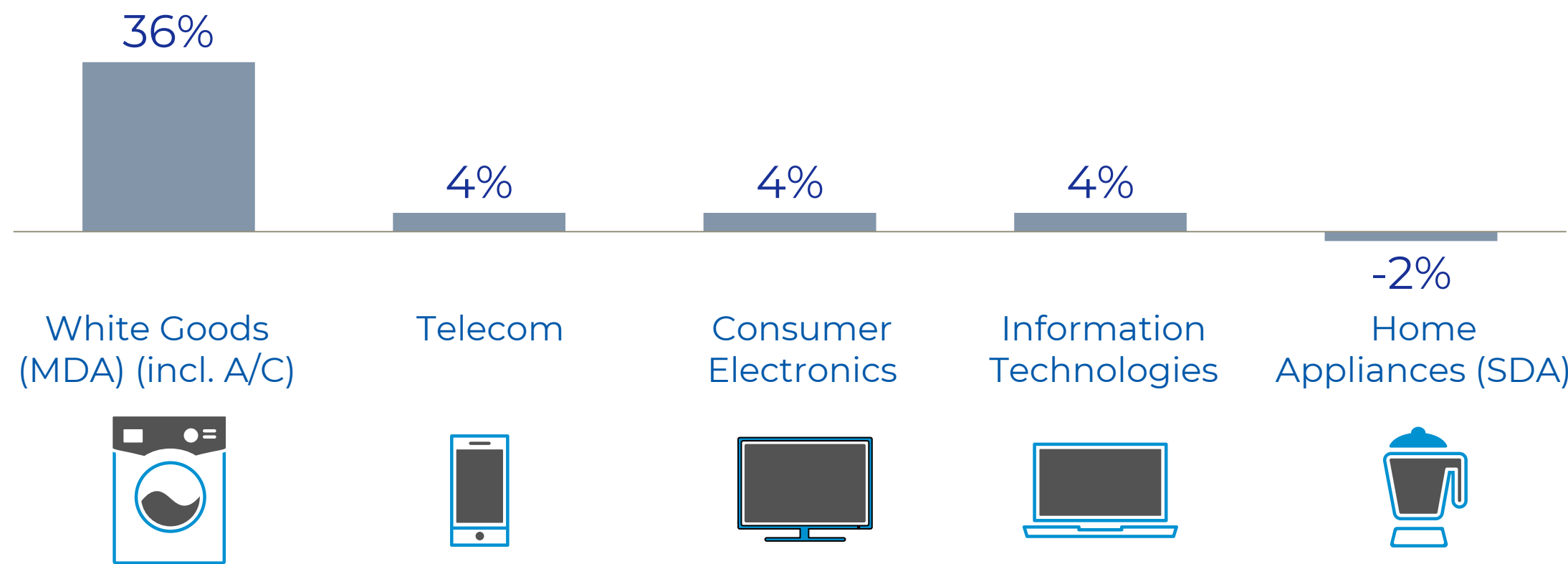
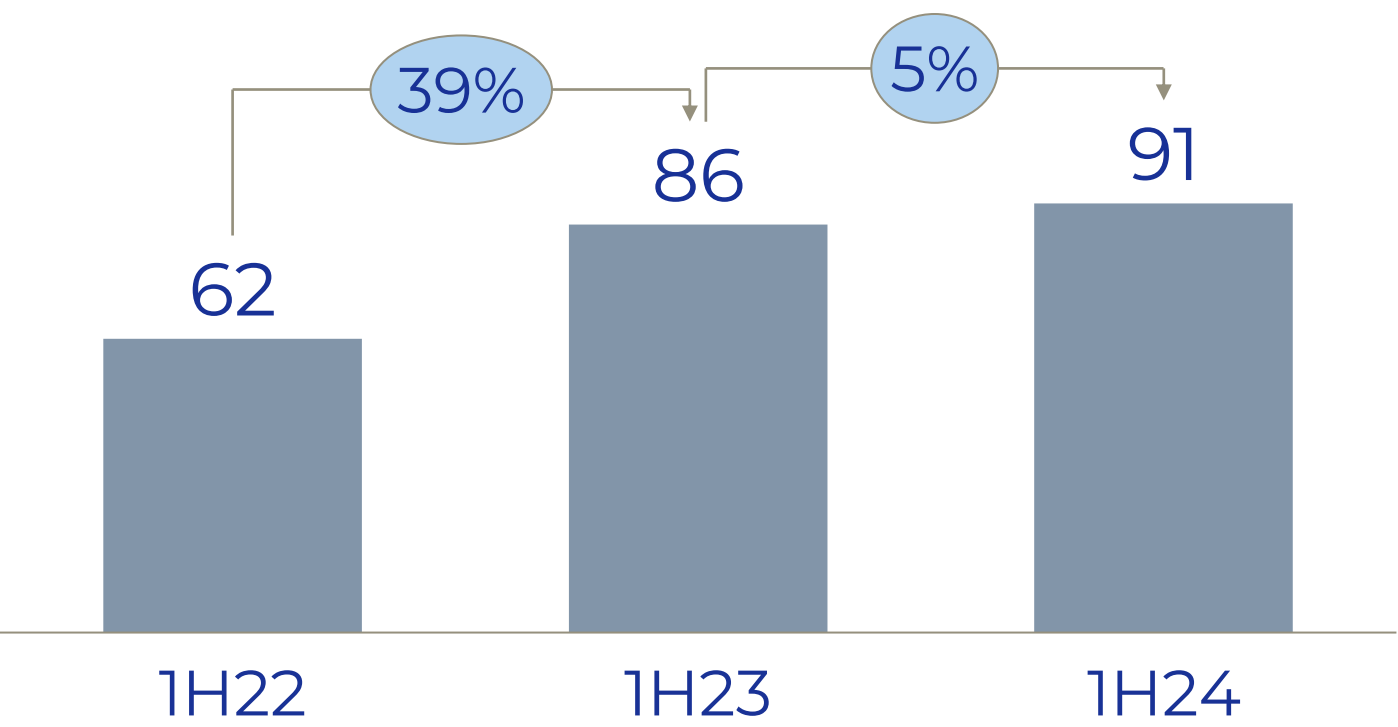
Panel Market



Demand Growth by Categories¹ Real, Y-o-y%



Techonline Market²

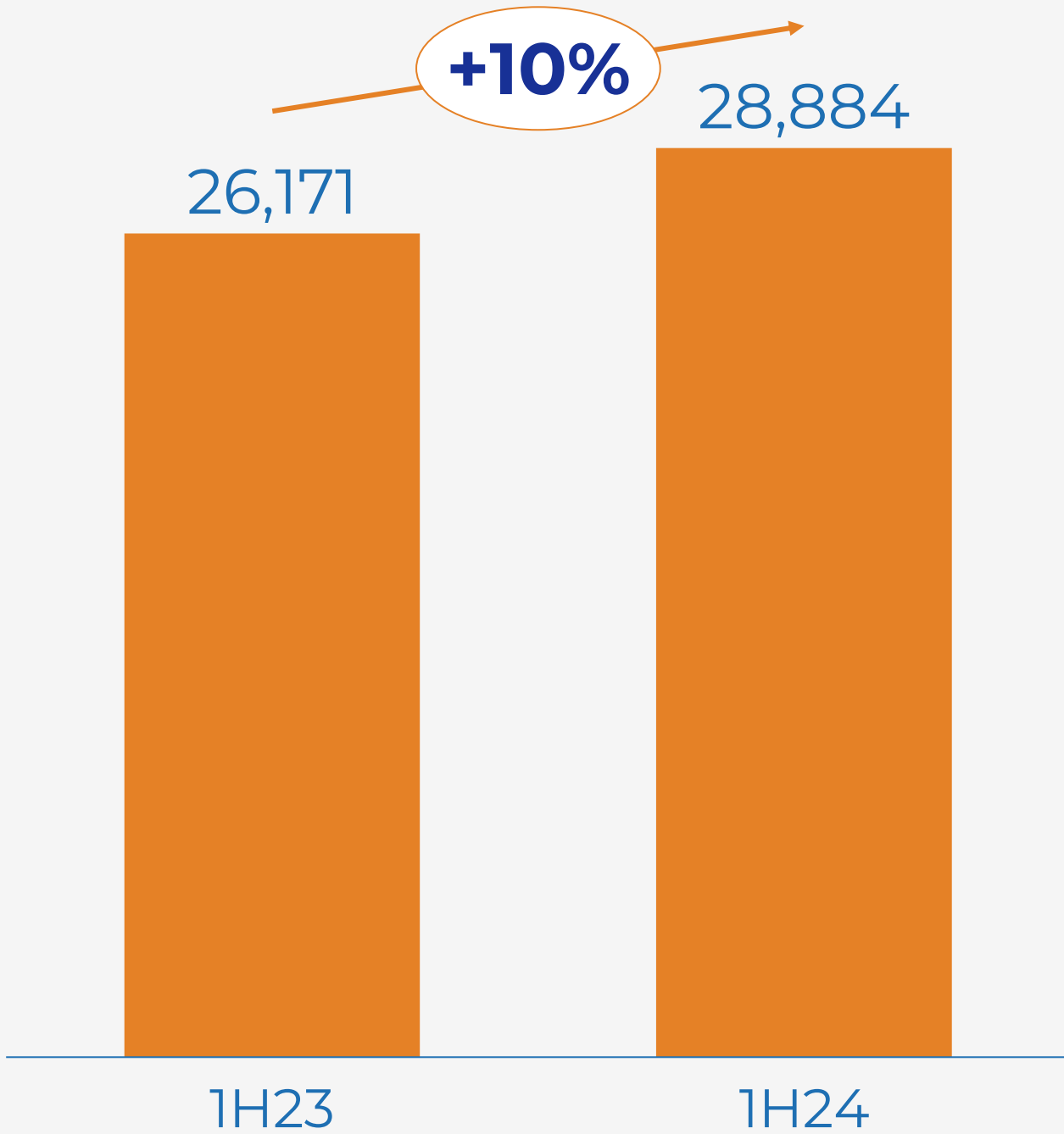


29 1. Source: GFK. YoY%.
2. Online sales of all channels in the Panelmarket constitute the Techonline market

Despite the slowdown in the market, we were able to grow above the panel market, while maintaining a solid growth in e-commerce

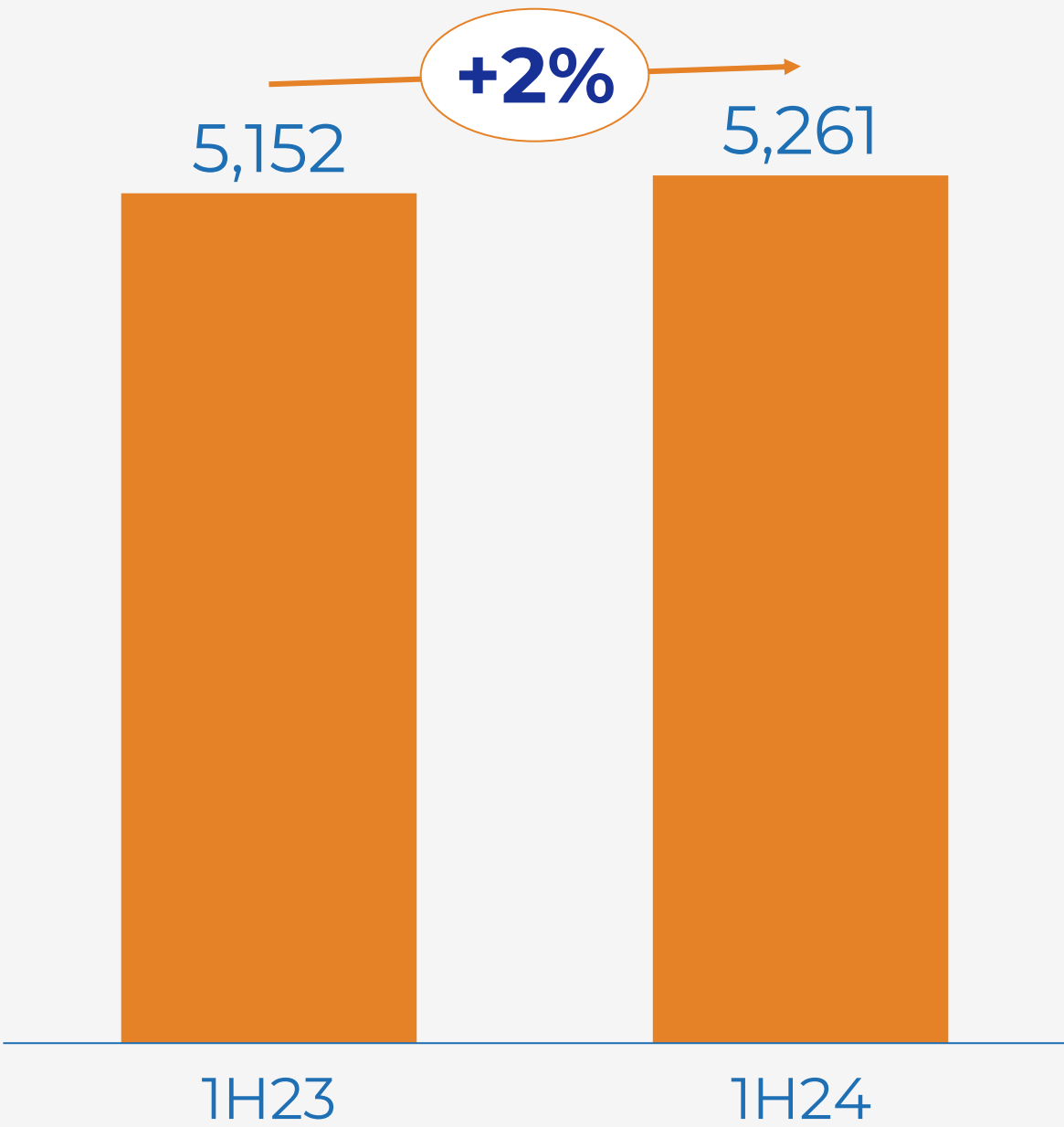
Teknosa Total Revenues¹ (Mn TL)

Teknosa has shown a higher growth than panel market (7%)



E-Commerce GMV (Mn TL)

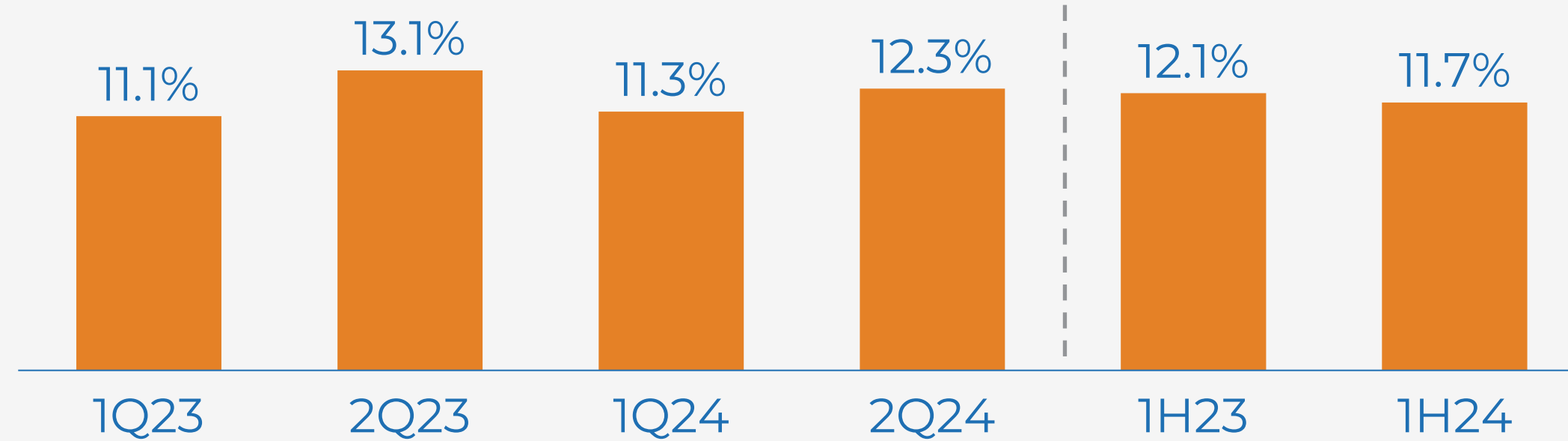
Controlled growth strategy in e-commerce resulted in a rate below the 5% market average



Gross profit was affected by intensified competition, while opex increase was mainly driven by logistics & personnel costs...

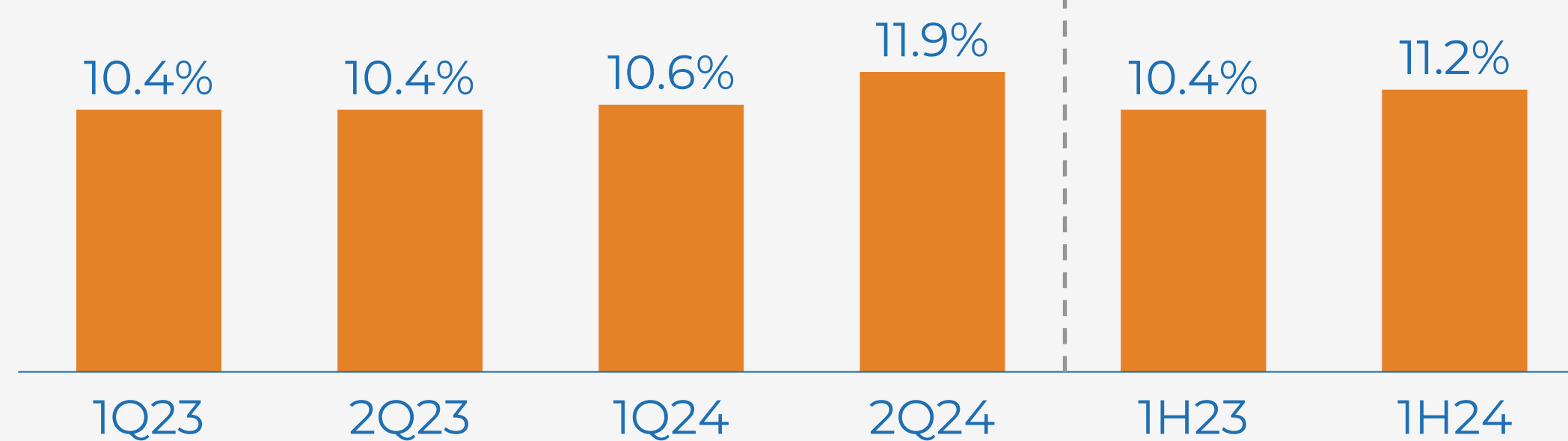
Gross Profit margin

GPM decreased slightly due to price competition & retail mix

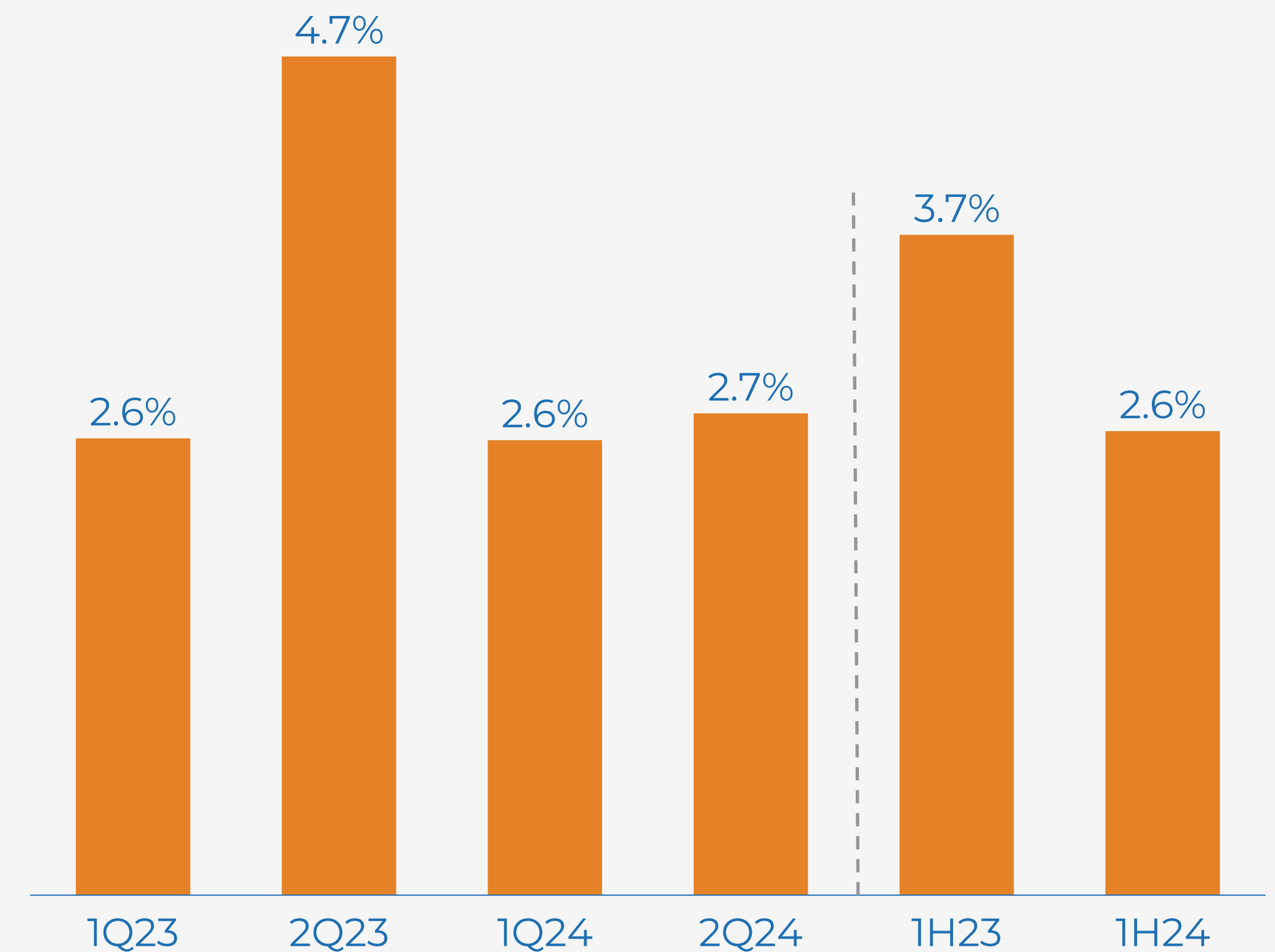


OPEX margin

Increase in OPEX is driven by logistics & personnel costs



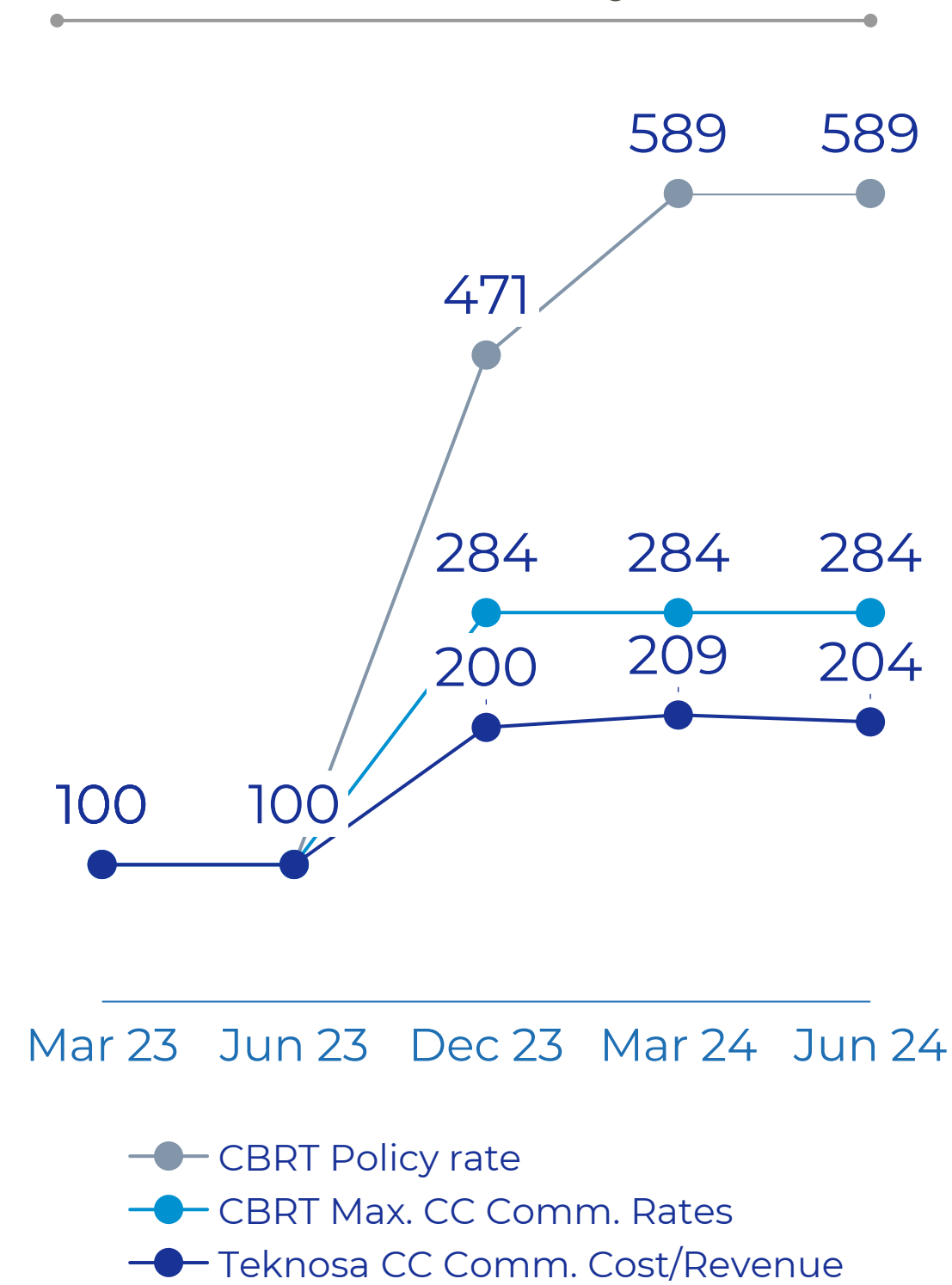
EBITDA margin



Credit card costs with high interest rates is still the main driver for higher financial expenses; yet mitigation actions are being taken...

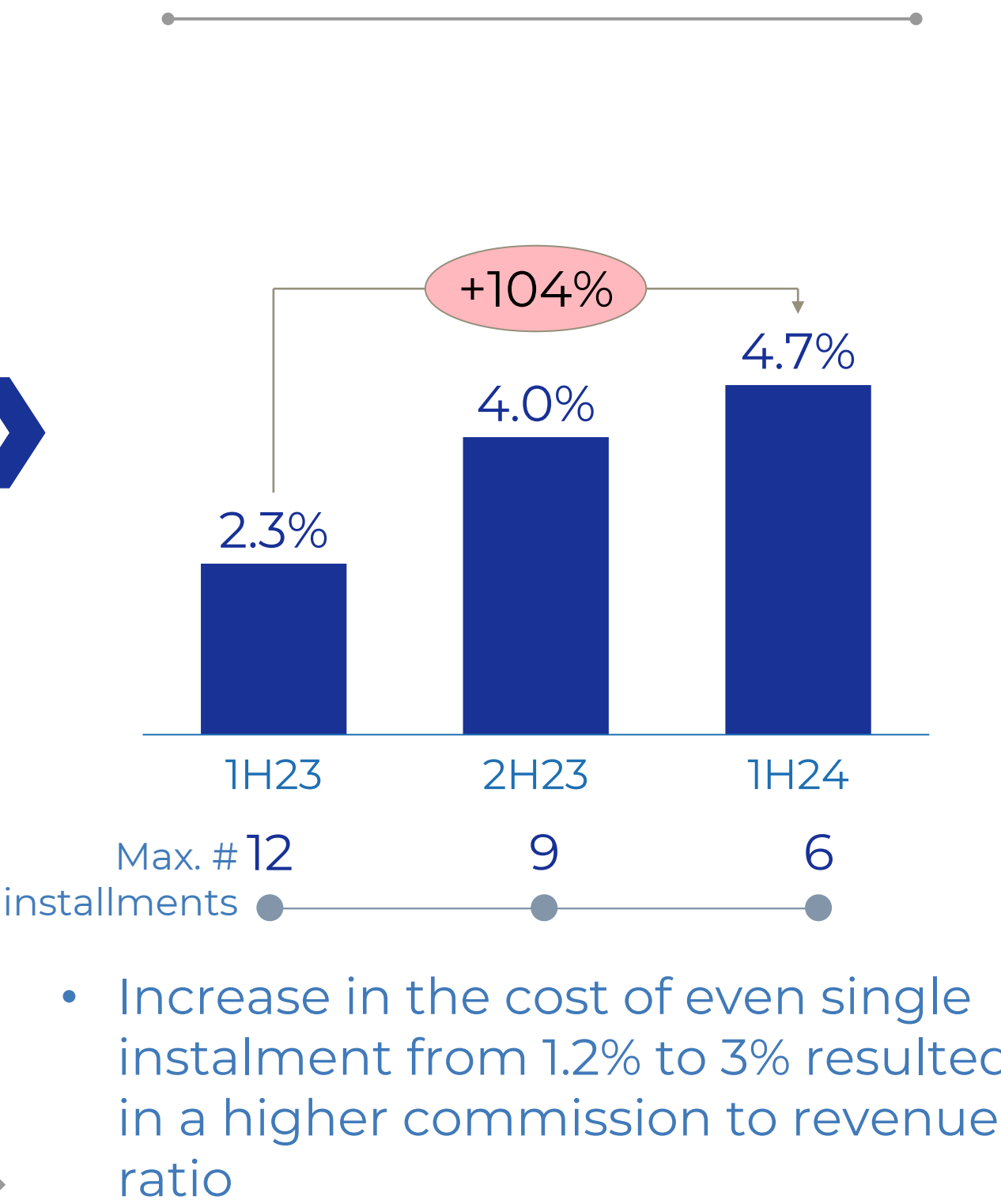
Increasing interest rates & credit commission rates...

Cumulative Credit Card (CC) Comm. vs. Policy Rate¹



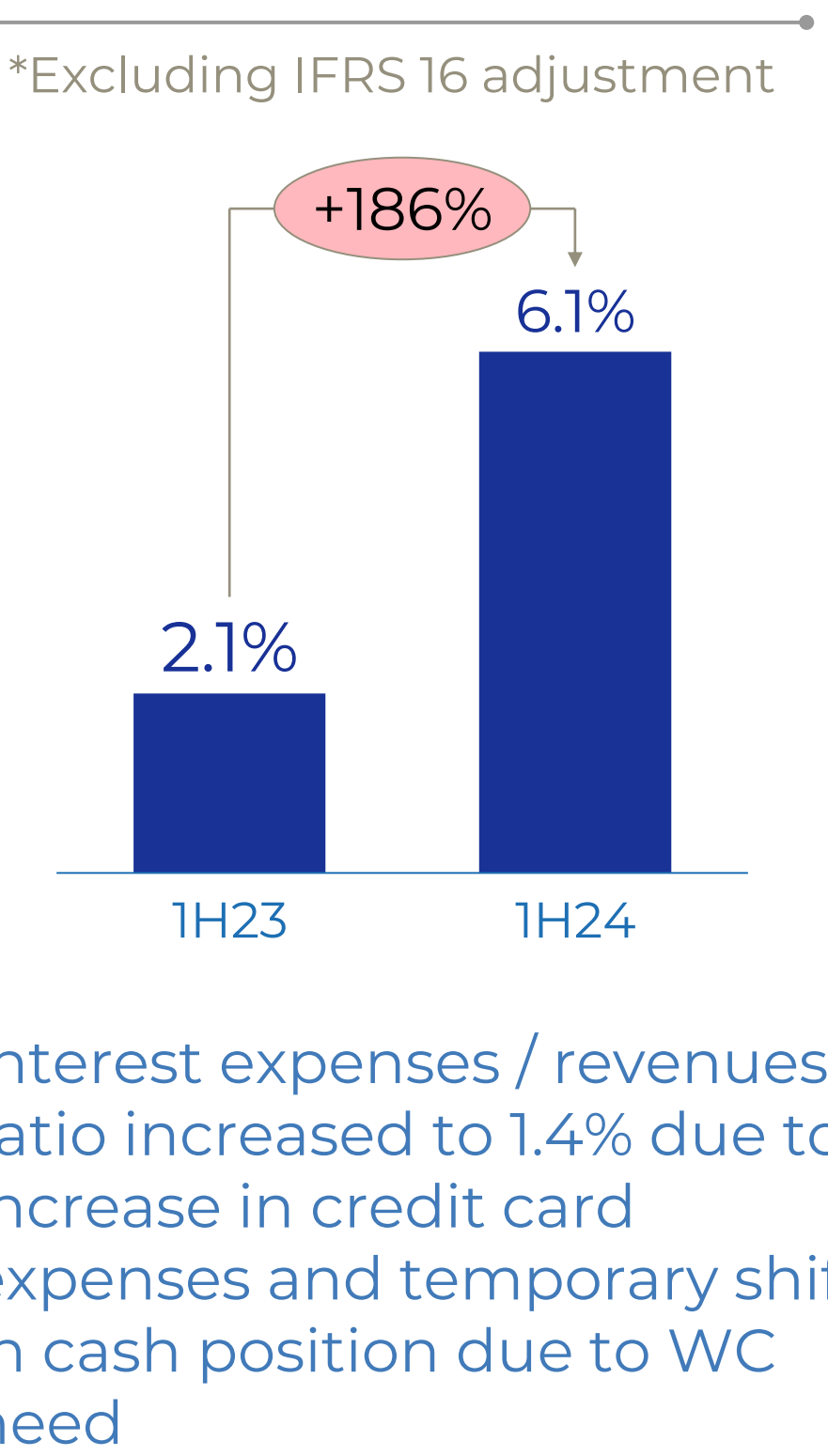
...have increased the financial pressure on profitability...

CC Commissions to Revenue Ratio



... impacting net profit...

Total Net Financial Expenses*



... yet measures are being taken

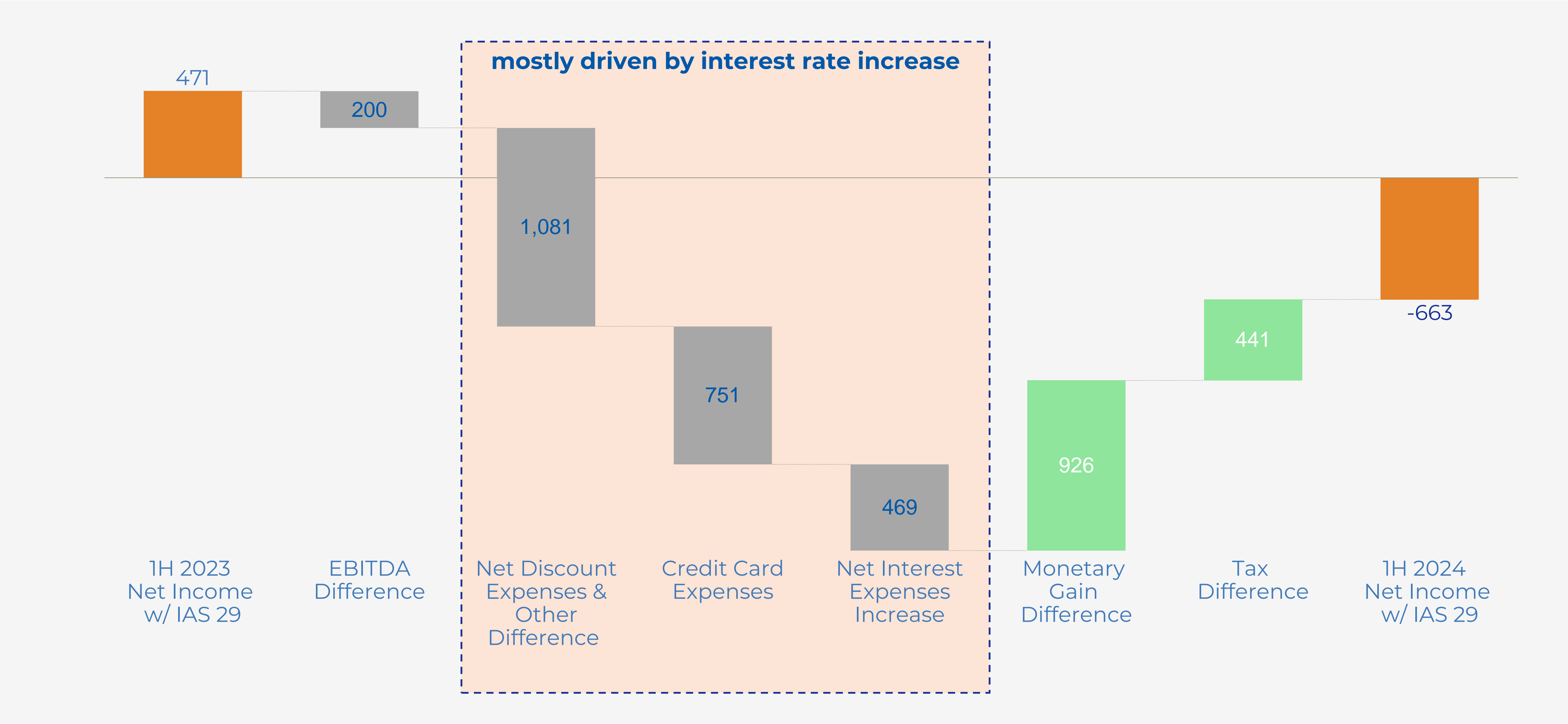
Measures to Limit Credit Card Costs

- Increasing consumer loans usage by 1.5x yoy
- Reflecting interest costs on customers, mostly subsidizing them through suppliers (implemented strategy in mid-July, specifically in the leading Telecom category)

Measures to Navigate Interest Expenses

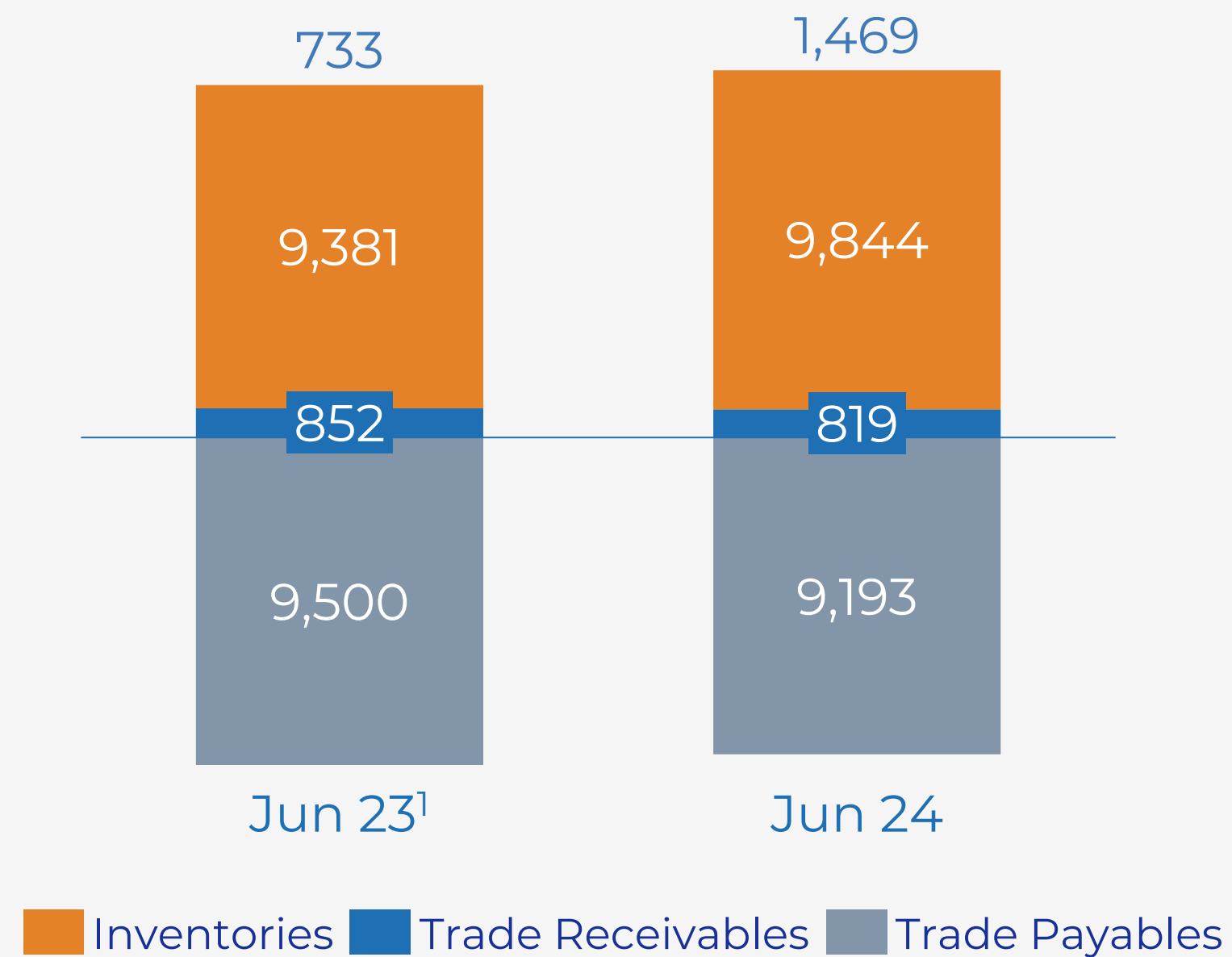
- Executing stock and purchase optimization to balance cash position

Net loss was primarily attributable to higher finance expenses



NWC was affected by frontloading in the Turkish electronics sector in Q1, while mitigation actions are being taken to restore negative level

Net Working Capital (TL Mn)



Yet a series of measures are being taken...

- Manage inventory more efficiently & stricter purchase optimization
- Negotiation of payment terms to balance stock turnover and payment cycles
- Significant focus on daily cash management & forecasting

On the other hand, Teknosa continues its strategic CAPEX investments.

- 61% of total CAPEX of 291 TL Mn in the first half were related to IT & efficiency projects.

FY2024 Guidance (w/o IAS 29) has been maintained!

Our Guidance	2023F w/o IAS 29	2023A w/o IAS 29	2024F w/o IAS 29
E-Commerce GMV ¹	7.5 bln TL	8.3 bln TL	<u>Double 2023 Level</u>
CAPEX	500 mln TL	487 mln TL	<u>Double 2023 Level</u>
EBITDA Margin (%)	High single digit	8.9%	<u>Target to maintain</u>
E-Commerce NMV / Retail Total Merchandise Value (%) ¹		16.4%	<u>Expected to reach around 20% levels in the mid-term</u>

*While E-Commerce Gross Merchandise Volume (GMV)" includes VAT (Value Added Tax), cancellations, and returns, "Net Merchandise Volume (NMV)" refers to the e-commerce transaction volume excluding these amounts.

Despite headwinds,
we are **proactively
taking measures**
and maintaining
strong focus on
enhancing our
operational
performance, **in line
with our main
strategy**



Focusing on sustaining growth and further **improving operational performance** KPIs through comprehensive transformation initiatives



Aiming to **create increased value** through transformation into '**Digital-First**' company



Focusing on working capital and financing costs with a series of actions to recover even stronger from these temporary headwinds



Perfecting our unique customer experience with a solid omnichannel strategy



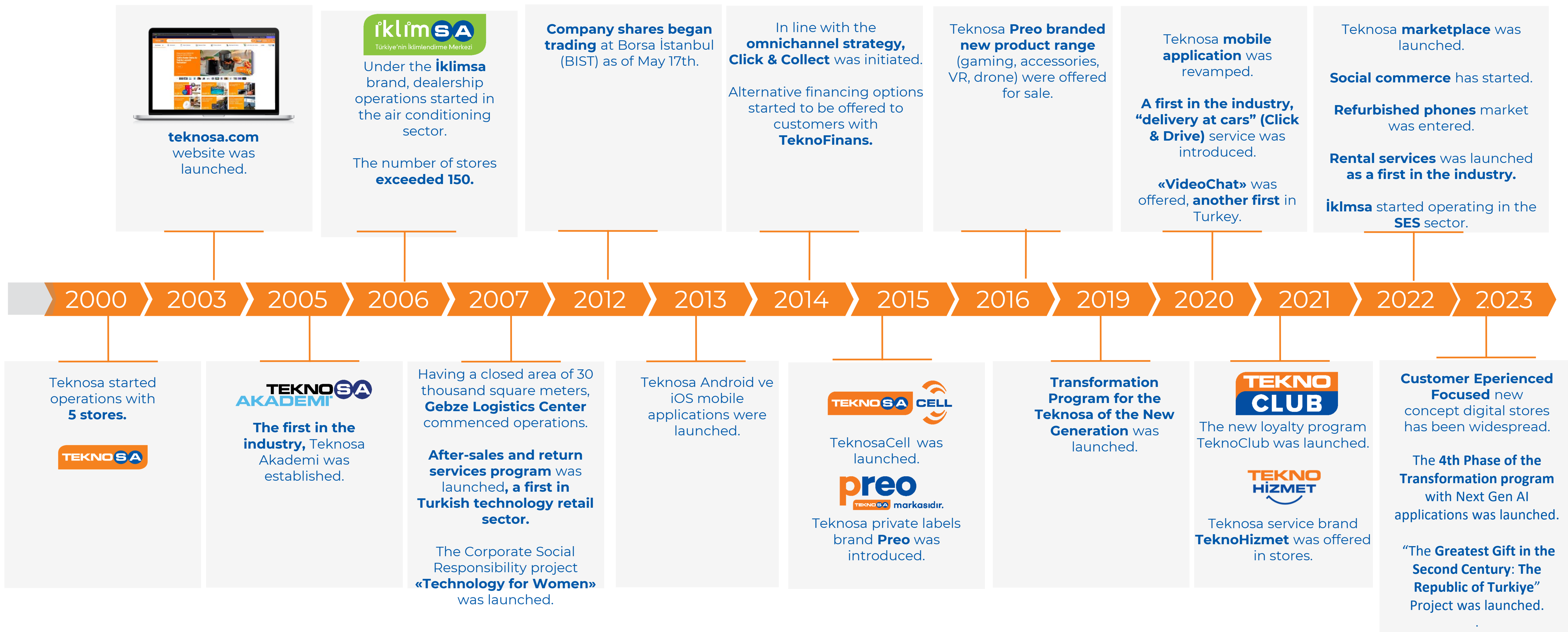
Continuing **digitalization and technology-focused strategic investments**

THANK YOU!

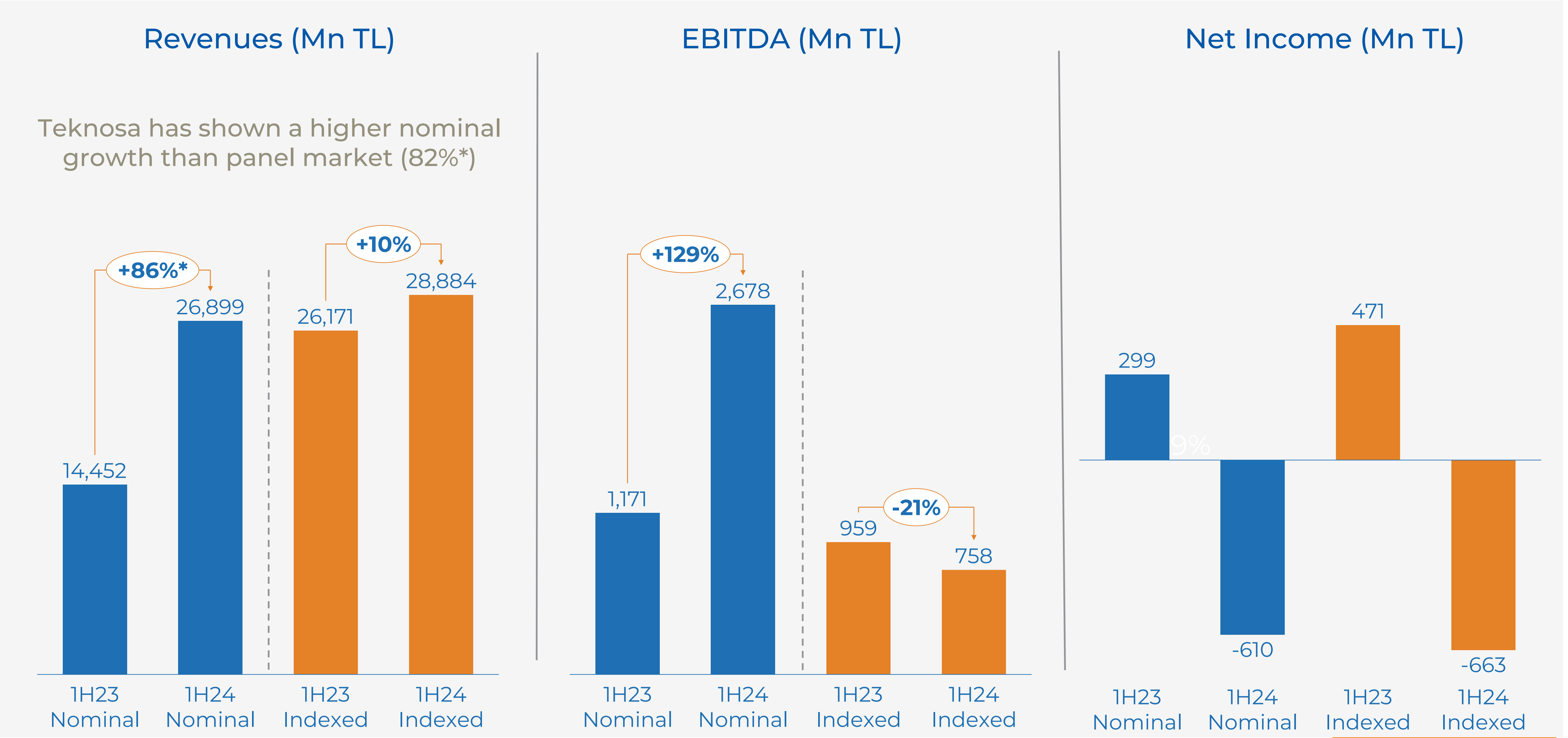
TEKNO **SA**

APPENDIX

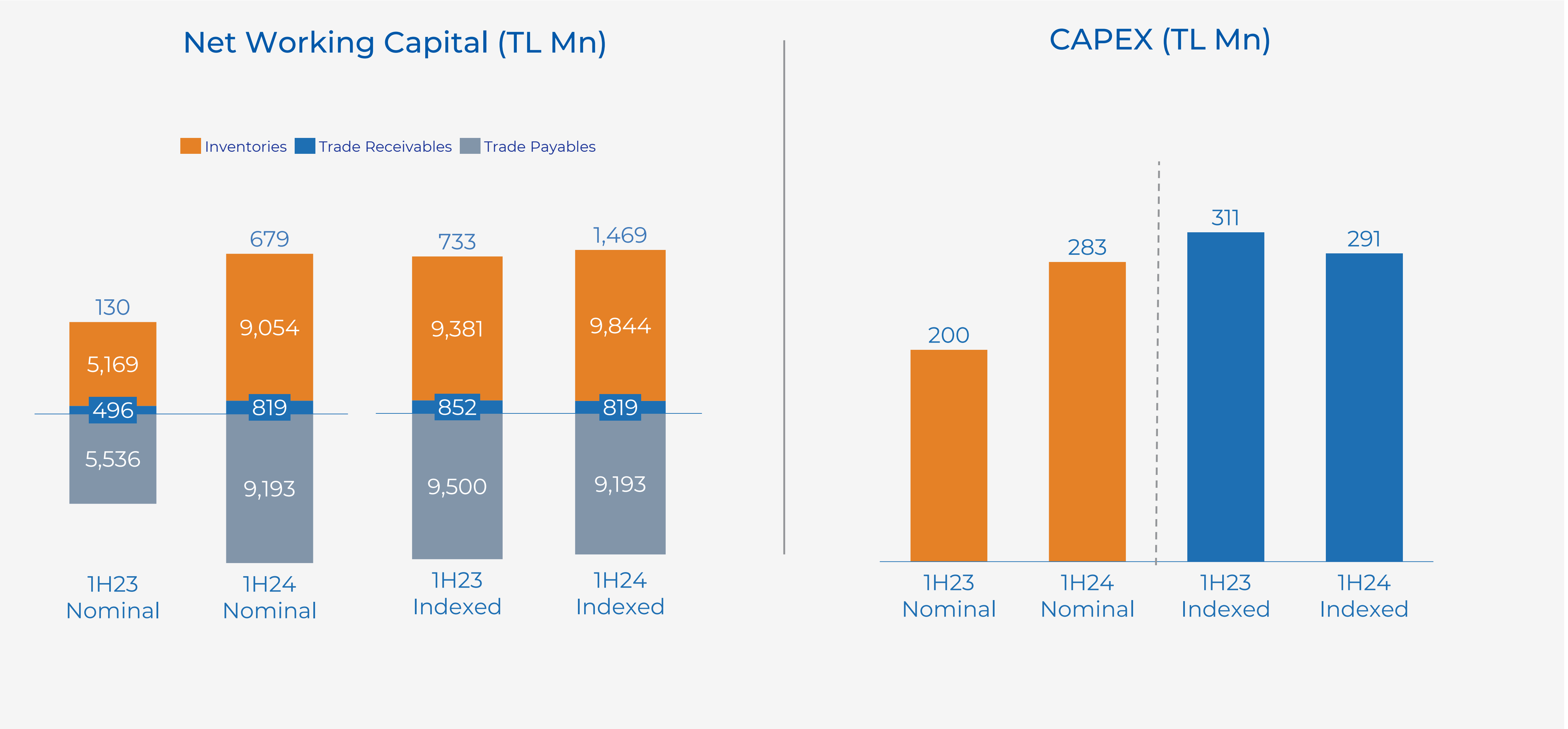
Milestones




1H2024 Key Financials w/o IAS 29




1H2024 NWC & CAPEX w/o IAS 29



1H2024 Balance Sheet w/ IAS 29

	Jun 24	Dec 23
Assets (Mn TL)		
Current Assets	12,749	15,501
Cash and Cash Equivalents	1,704	3,416
Trade Receivables	819	1,162
Inventories	9,844	10,431
Other Current Assets	383	491
Non-current Assets	3,112	2,823
Property, Plant and Equipment	1,034	938
Intangible Assets	315	307
Investment Property	229	229
Right of Use Assets	1,316	1,305
Other Non-current Assets	217	43
Total Assets	15,861	18,324
 Liabilities (Mn TL)		
Current Liabilities	12,730	14,400
Short-term Loans and Borrowings	2,273	677
Short-term Portion of Long-term Finance Lease Liabilities	402	364
Trade Payables	9,193	12,366
Derivative Instruments	0	1
Deferred Income	401	423
Other Current Liabilities	462	570
Long Term Liabilities	595	722
Long-term Lease Liabilities	496	544
Other Long Term Liabilities	99	178
Equity (Mn TL)	2,535	3,202
Total Liabilities and Equity (Mn TL)	15,861	18,324

1H2024 Income Statement w/ IAS 29

	2Q24	2Q23	Change (%)	1H24	1H23	Change (%)
Net Sales (Mn TL)	13,042	13,792	-5%	28,884	26,171	10%
Gross Profit (Mn TL)	1,608	1,806	-11%	3,392	3,179	7%
Gross Profit Margin (%)	12.3%	13.1%	-6%	11.7%	12.1%	-3%
Opex/Sales (%)	11.9%	10.4%	14%	11.2%	10.4%	8%
EBITDA (Mn TL)	355	642	-45%	758	959	-21%
EBITDA Margin (%)	2.7%	4.7%	-42%	2.6%	3.7%	-28%
Other Income (Expense) (Mn TL)	-775	-423	-83%	-1,596	-606	-163%
Financing Income (Expense) (Mn TL)	-938	-287	-227%	-1,881	-661	-184%
Net Monetary Gain (Loss) (Mn TL)	814	518	57%	2,278	1,352	68%
Profit Before Tax (Mn TL)	-783	217	n.m.	-926	650	n.m.
Tax (Mn TL)	222	-61	n.m.	263	-178	n.m.
Net Profit (Mn TL)	-561	156	n.m.	-663	471	n.m.
Net Profit Margin (%)	-4.3%	1.1%	n.m.	-2.3%	1.8%	n.m.

Disclaimer

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